

VZCZCXR08191
PP RUEHBZ RUEHJO RUEHMR RUEHRN
DE RUEHDR #0068/01 0160330

ZNR UUUUU ZZH
P 160330Z JAN 07

FM AMEMBASSY DAR ES SALAAM
TO RUEHC/SECSTATE WASHDC PRIORITY 5346
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY PRIORITY
RUEHDS/AMEMBASSY ADDIS ABABA PRIORITY 3108
RUEHJB/AMEMBASSY BUJUMBURA PRIORITY 2460
RUEHKM/AMEMBASSY KAMPALA PRIORITY 2901
RUEHLGB/AMEMBASSY KIGALI PRIORITY 0892
RUEHNR/AMEMBASSY NAIROBI PRIORITY 0430
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 DAR ES SALAAM 000068

SIPDIS

SENSITIVE
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DEPT AF/EPS FOR THASTINGS, AF/E FOR BYODER
ALSO FOR EB
DEPT PASS TO USTR FOR WJACKSON AND TO COMMERCE
ADDIS FOR AU MISSION

E.O. 12958: N/A
TAGS: [ETRD](#) [ECON](#) [TZ](#)
SUBJECT: TIFA: TANZANIA WANTS TO CONSULT WITH EAC PARTNERS

REF: A. STATE 01299

[IB.](#) DAR ES SALAAM 1722

SUMMARY

[I1.](#) (SBU) Dr. Mrs. Stagomena Bamwenda, recently appointed Permanent Secretary at the Ministry of Industry and Trade, assured EconCouns January 10 that the Government of Tanzania (GOT) is studying the proposed draft language of a Trade and Investment Framework Agreement (TIFA) between the East African Community (EAC) nations--Tanzania, Kenya and Uganda--and the United States. Bamwenda indicated however, that Tanzania is moving cautiously to be certain that the full ramifications of the terms of the TIFA are clearly understood, particularly in light of the ongoing expansion of the EAC. Bamwenda suggested the Kenyan, Ugandan and Tanzanian representatives may want meet on the sidelines of the upcoming African Union trade meeting in Addis Ababa (January 15 to 16) before holding discussions with the U.S. delegation. End Summary.

Personnel Changes at the Ministry

[I2.](#) (SBU) While Tanzania remains interested in principle in a Trade and Investment Framework Agreement (TIFA) with the United States, the appointment of a new Minister for Industry and Trade, Basil Mramba, in October 2006 (Ref B) and the more recent change in the Permanent Secretary position at the Ministry of Industry and Trade, has resulted in a slowing of the momentum toward signing a TIFA with the EAC countries as exhibited by Tanzania's former Minister of Industry and Trade (MIT), Nazir Karamagi. Dr. Stagomena Bamwenda, who was appointed Permanent Secretary of MIT on December 17, 2006, received and reviewed the draft TIFA text in early January, following EconCouns discussions with the Director of Trade, John Mhina, on December 28, 2006.

EAC Three Need to Consult First

[I3.](#) (SBU) Bamwenda told EconCouns on January 10 that her Ministry and other concerned GOT ministries need "more time" to review the draft text to be certain that it would not conflict with the GOT's obligations in other multilateral organizations including the EAC, the Southern African Development Community (SADC) and the World Trade Organization (WTO). EconCouns explained that a TIFA would in no way

conflict with progress in the Doha Round or other WTO fora; rather the TIFA Council meetings provide a concrete opportunity to discuss and often make progress on WTO issues.

While Bamwenda acknowledged that she saw the value in such an approach, she emphasized the importance of closely studying the draft language of the TIFA text and of consultations with the respective trade representatives of Kenya and Uganda. "Perhaps Kenya and Uganda are farther along in their internal discussions of a TIFA with the United States," she noted. Bamwenda suggested the logical next step would be for Tanzania, Kenya and Uganda to first meet and discuss among themselves on the sidelines of the Addis Ababa African Union (AU) meeting on either January 15 or 16. "Following that meeting, we could perhaps seek out the U.S. delegation if we have further questions or need clarifications about the TIFA draft language," Bamwenda suggested.

Comment

¶4. (SBU) Permanent Secretary Bamwenda was promoted to this new position as MIT Permanent Secretary from her previous post in the Deputy Permanent Secretary slot at the Ministry of Planning and Economy. She is known as a thorough economic technician, who played a key role in developing the "Business Environment Strengthening for Tanzania" (BEST) program that is serving as an investment climate guide for potential domestic and foreign investors. Bamwenda will be attending the January 15 to 16 meetings in Addis, although she could not confirm that Minister Basil Mramba would also attend. Post believes that Bamwenda will encourage her Kenyan and Ugandan counterparts to first discuss the TIFA among themselves in Addis before approaching or suggesting a meeting with the U.S delegation. Bamwenda appeared sincerely

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interested in what a TIFA could potentially offer, while also exercising caution that the terms of the draft TIFA text be thoroughly understood before Tanzania makes any commitment.

RETZER